

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name California Resources Corporation		2 Issuer's employer identification number (EIN) 46-5670947	
3 Name of contact for additional information Noelle Repetti, Senior VP and Controller	4 Telephone No. of contact 818-661-6023	5 Email address of contact Noelle.Repetti@crc.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 27200 Tourney Road, Suite 200		7 City, town, or post office, state, and Zip code of contact Santa Clarita, CA 91355	
8 Date of action November 11, 2021		9 Classification and description Distribution to holders of common stock	
10 CUSIP number 130570305	11 Serial number(s) N/A	12 Ticker symbol CRC	13 Account number(s) N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On December 16, 2021, California Resources Corporation ("Issuer") made a cash distribution of \$0.17 per share for a total of \$13,582,089 to its shareholders of record on December 1, 2021.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ The distribution per share was \$0.17. \$0.17 per share is treated as a reduction in the stock basis of each share. To the extent the tax basis in a share is less than \$0.17, the excess over the basis in that share is expected to be recognized as a capital gain.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ When a cash distribution (or other distribution of property) is made by a corporation, it is treated as a taxable dividend to the extent of the current and accumulated E&P of that corporation at the date of the distribution or, in certain cases, at the end of the tax year in which the distribution was made. In order to determine what portion of this cash distribution should be treated as a taxable dividends versus return of capital/capital gain, California Resources Corporation completed a computation of E&P as of December 31, 2020 with an estimate of the E&P for the period ended December 31, 2021. According to this computation, Issuer estimated \$0 of E&P per outstanding share of stock. As a result, the distribution of \$0.17 per share resulted in a reduction in basis of up to \$0.17 per share.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶

Section 316 - Dividend defined

Section 317 - Property defined

Section 301(c) - Distributions of property

Section 312 - Effect on earnings and profits

Reg. Section 1.1502-33 - Earnings and profits (this section applies to taxpayers filing a consolidated Federal corporate income tax return)

Other sections further defining adjustments to E&P that are not contained in section 312

18 Can any resulting loss be recognized? ▶ This distribution would not create a loss.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ Any adjustment to basis would be taken into account in the tax year of the shareholder during which the distribution was received (e.g., 2021 for calendar year taxpayers).

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here Signature ▶ *Noelle M. Repetti* Date ▶ 12/8/2021

Print your name ▶ Noelle M. Repetti Title ▶ Sr VP - Controller

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Kevin Jett	<i>[Signature]</i>	12/8/21		P01609939
	Firm's name ▶ Deloitte Tax LLP			Firm's EIN ▶	86-1065772
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